



CAPITAL IMPROVEMENTS

***Joint Legislative Oversight Committee
on Capital Improvements***

December 13, 2018

2017-2018 Capital Legislation

■ FSU Health & Wellness – \$5.0M

- Under design, collaboration w/City of Fayetteville
- Memorandum of Understanding (MOU) w/City regarding site development
- Expected completion – Fall 2021

■ UNC-CH Business School Planning – \$1.0M

- Preliminary programming, site analysis, concept design
- Accommodate undergraduate growth and consolidate staff from off-site leased space

■ R&R – \$50.5M

- Average allocation of \$2.8M (\$1.0M floor)

2018-2019 Capital Legislation

■ Additions to Bond Projects

- NCCU, UNCA, UNCP, NCSSM

■ WCU Steam Plant – \$16.5M

- Replacement of 1930 building and equipment, most of which exceeds 40 years of age
- Installation of energy efficient boilers and burners
- Improved cost and reduced atmospheric emissions
- Remaining funding of \$16.5M needed by January 2020 to proceed with construction

2018-2019 Capital Legislation

■ **UNCW Library Planning**

- \$5.5M toward advance planning
- Programming effort underway
- Addressing growth (300% increase in enrollment since the library was last expanded in 1987), aging building systems, and interior finishes
- Phased project required to continue operation during construction

■ **BOG Planning Task Force – STEM**

- \$3.0M System-wide analysis of STEM capital needs
- Cooperative work with BOG Committee on Healthcare
- Cain Brothers contract providing support

2018-2019 Capital Legislation

- **R&R – \$32.4M**

- Average allocation of \$1.8M (no \$ minimum)

- **Hurricane Florence Disaster Recovery Fund**

- \$30.0M toward necessary and appropriate repairs to capital property damage at three universities (FSU, UNCP, UNCW)

Hurricane Florence

Disaster Recovery Fund (Capital)

Institution	Board Allocation	Campus Expenditures (Operating and Capital to date)
FSU	\$ 455,000	\$ 243,086
UNCP	829,499	403,391
UNCW	27,215,501	41,000,000
UNC System Office Reserve	1,500,000*	-
TOTAL	\$ 30,000,000	\$ 41,646,477

**Reserve to be allocated across the three institutions in response to updated estimates.*

UNCW Update

■ ~\$139.6M of storm-related damages

- \$33.5M storm clean-up
- \$102.8M capital property damage (primarily Dobo Hall)
- \$3.3M business interruption

■ Dobo Hall

- Primary Science Classroom and Teaching Labs
- Chemicals removed, glassware and furnishing removals in progress, interior demolition anticipated in January
- \$59.0M planned restoration on existing site
 - \$31.8M estimated insurance proceeds
 - \$27.2M appropriation – Disaster Recovery Fund



Capital Project Priorities

2019-2021

2019-2021 Capital Project Priorities

- Primary focus on Repairs and Renovations (R&R) of existing facilities
- Limited focus on new capital projects
- Specific priorities pending BOG and President's review

2019-2021 R&R Process

■ Deferred Maintenance (Traditional R&R)

- Biennial budget process included comprehensive survey of all 17 institutions
- Responses collected in October 2018
- \$1.3B of total deferred maintenance
 - State-appropriated buildings only, no residence halls, athletics, or other auxiliary facilities
 - All individual R&R projects <\$4.0M, typical repair-type
- Any projects with a cumulative estimate >\$4.0M considered to be targeted R&R for request separately, as part of broader capital prioritizations
 - These larger projects exceed capacity of annual R&R funding to address

2019-2021 R&R Priorities

■ **BOG R&R Committee**

- **Deferred Maintenance (Traditional R&R)**
 - Data from campus survey
 - Roof repairs, mechanical systems, fire alarm systems
 - Electrical upgrades, plumbing, HVAC, etc.
 - Minor renovations
- **Reduce Backlog**
 - Stabilize funding stream
 - Increase funding level
- **Demolitions**
 - Reduce vacant and/or underutilized building count
 - Economies of scale

Measures of R&R Need

Institution	Annual Need 1.5% ERC*	FCAP Reported Traditional R&R (2018)
ASU	\$ 9,776,359	\$ 12,164,634
ECU	19,807,045	33,062,688
ECSU	2,821,916	7,397,276
FSU	2,947,990	6,261,260
NCA&T	10,358,038	7,870,456
NCCU	8,388,846	11,093,965
NC State	48,844,346	25,817,664
UNCA	4,699,979	6,029,705
UNC-CH	60,895,822	44,264,839
UNCC	15,917,935	9,378,006
UNCG	20,172,538	8,861,162
UNCP	5,072,004	2,104,317
UNCW	7,318,649	1,317,243
UNCSA	2,898,526	6,506,573
WCU	5,608,241	5,273,002
WSSU	3,513,796	8,165,446
NCSSM	1,602,746	1,815,680
Total	\$230,644,776	\$197,383,911

**Estimated Replacement Cost is a standard measure recommended by the Association of Physical Plant Administrators. FCAP amounts reflect June 2018 data reported for appropriated facilities, converted to an annual basis.*

2019-2021 R&R Capacity

Institution	Total Traditional R&R	Maximum \$ Annual Capacity	Minimum \$ Annual Capacity	Midpoint \$ Annual Capacity
ASU	\$ 40,768,287	\$ 8,561,340	\$ 3,261,463	\$ 5,911,402
ECU	236,306,735	51,987,482	18,904,539	35,446,010
ECSU	21,804,753	4,142,903	1,744,380	2,943,642
FSU	19,029,500	4,757,375	1,522,360	3,139,868
NCA&T	65,222,091	4,565,546	5,217,767	4,891,657
NCCU	14,985,206	3,746,302	1,198,816	2,472,559
NC State	207,391,000	51,847,750	16,591,280	34,219,515
UNCA	53,354,525	5,335,453	4,268,362	4,801,907
UNCCH	239,015,700	39,843,917	19,121,256	29,482,587
UNCC	61,711,256	16,662,039	4,936,900	10,799,470
UNCG	60,859,800	10,954,764	4,868,784	7,911,774
UNCP	22,750,000	3,412,500	1,820,000	2,616,250
UNCW	45,430,420	9,086,084	3,634,434	6,360,259
UNCSA	36,450,000	4,009,500	2,916,000	3,462,750
WCU	106,936,800	5,346,840	8,554,944	6,950,892
WSSU	8,115,000	1,623,000	649,200	1,136,100
NCSSM	36,080,000	2,525,600	2,886,400	2,706,000
Total	\$1,276,211,073	\$228,408,395	\$102,096,886	\$165,252,640

Traditional R&R reflects campus self-reporting in response to an October 2018 solicitation. Maximum capacity is also self reported, while minimum is based on 8% of "Total Traditional R&R" amount. Midpoint is the average of these two capacities.

2019-2021 Capital Request

- R&R
- Capital Renewal (targeted R&R)
- WCU \$16.5M Steam Plant
Remaining Need
- Board/President Prioritization in
January

QUESTIONS?

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